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Wise Men Plucked From Obscurity For Their Real-World Experience

By David Nather, CQ Staff

Normally, the second-to-last ranking Democrat on the Senate Banking, Housing, and Urban Affairs Committee would not be anyone's pick to share the microphone with Majority Leader Tom Daschle on one of the biggest issues in the country.

But when the news broke June 26 of the WorldCom Inc. scandal, Jon Corzine, D-N.J., was a logical choice to join the South Dakota Democrat at his morning "dugout" press conference. As the former co-chairman and co-chief executive officer of the investment banking company Goldman Sachs, Corzine could speak about the emerging theme of "corporate responsibility" with an authority few Democrats could ever match.

Only a few weeks earlier, Michael B. Enzi, R-Wyo., would have seemed just as unlikely to make a difference on the accounting overhaul legislation ([S 2673](#)) then making its way through the Banking Committee. But the fifth-ranking Republican on the committee negotiated a compromise bill with Chairman Paul S. Sarbanes, D-Md., and persuaded all but four committee Republicans to support it. As a former accountant, Enzi had the credentials to convince his Republican colleagues that it was safe to support stronger regulations for the accounting industry.

As the Senate charges into its newly urgent debate over how to stop the endless stream of business scandals, Corzine and Enzi are the latest examples of how the right career background can help even relatively low-ranking senators rise to prominence on a timely topic and wield enough influence to shape the future of legislation.

Just as the medical background of heart surgeon Bill Frist, R-Tenn., makes him the chief spokesman and adviser for Senate Republican health care policies, so Corzine and Enzi are turning their business and accounting backgrounds into a platform to become the wise men of the corporate responsibility debate.

The two could hardly be more different in how they are putting their expertise to work. Corzine, the professorial first-term senator with an eye for hot political topics, has turned into a front man for Senate Democrats as they hammer away at the business scandals. He is frequently quoted about the issue and introduced an accounting overhaul bill ([S 2004](#)) with Christopher J. Dodd, D-Conn., much of which was incorporated into the Sarbanes bill that will be on the Senate floor.

Moreover, it was Corzine who argued during a June 26 meeting about Senate Democrats' political message that the caucus should elevate the theme of "corporate responsibility" to the same level of prominence on the Democratic agenda as bedrock domestic issues such as education and health care, according to Richard J. Durbin, D-Ill., who runs the message meetings.

"I'm someone who believes in business and, frankly, is offended by what is going on, as I think a lot of businesspeople are," Corzine said in an interview.

Enzi has never sought the spotlight. The low-key first-term member is often overshadowed by more forceful personalities such as the committee's top two Republicans, ranking member Phil Gramm of Texas and Richard C. Shelby of Alabama. He avoids the spotlight and generally shies from reporters; he declined to be interviewed for this article.

But Senate Republicans say Enzi's accounting background gave him enough credibility to become a behind-the-scenes leader. He persuaded them to back the Sarbanes bill - after winning a few concessions from the chairman - at a time when Gramm had been playing a barely disguised stalling game. (*CQ Weekly*, p. [1669](#), [1399](#))

"I think very much it was a result of trusting Mike Enzi," said Chuck Hagel, R-Neb., a member of the Banking Committee. "In the end, some of the Republicans who might have been wavering were persuaded by their confidence in Enzi to vote for the legislation."

As Eric Ueland, chief of staff to Minority Whip Don Nickles, R-Okla., said: "Just because he's not ferocious in his floor statements doesn't mean people aren't listening to him."

Enzi's quiet influence could give him an important role in the floor debate, where he will have to gauge how hard to press for additional changes he wants - such as greater protections to shield accountants from frivolous lawsuits - and at what point Republicans will have to accept the bill.

Corzine, meanwhile, can be expected to spend a lot of time on the Senate floor helping Democrats fend off too many amendments. Other Democrats will be able to make a general case that the growing pile of big-business corpses cries out for strong legislation. Corzine will be able to do it in a depth that goes beyond the talking points.

"The rest of us have our theories. He has hands-on experience," Durbin said. "I think it's very hard for business groups to argue that he doesn't know what he's talking about."

Full of Surprises

When he was elected in 2000, Corzine was known mainly as the candidate who had spent more than \$60 million of his own money to win his Senate seat. Now, however, Corzine is carving out a reputation for taking on all the issues that are important to the business community - and taking the opposite side.

Corzine has issued a slew of news releases and letters opposing President Bush's proposal to add private savings accounts to Social Security. And he teamed up with Edward M. Kennedy, D-Mass., to introduce a bill ([S 2639](#)) that would require all businesses with 100 or more workers to provide health insurance.

It is not the sort of fare one expects from a man who spent nearly 25 years on Wall Street. And that is why Corzine is so valuable to Daschle now. When Corzine argues for a stronger Securities and Exchange Commission (SEC), for example, he is able to do so in an unusually vivid way.

"Here are 35 accountants in the accounting division at the SEC against a \$10 trillion economy. The old firm that I worked with probably had 150 accountants," Corzine said at the Daschle briefing. "You know, it's a pea-shooter versus a massive task that needs to be taken on."

Corzine's business expertise can cut both ways. His background could make him seem tainted by the business scandals just as easily as it has turned him into a crusader. It was Goldman Sachs that pioneered a kind of security called the Monthly Income Preferred Shares, widely used by Enron, that could be counted as either debt or equity and therefore drew scrutiny from the Treasury Department in the 1990s.

Corzine concedes Goldman Sachs "wasn't perfect." But he says it never paid executives to create the appearance of profits that did not exist. To stop the decline in the valuations of businesses because of those practices, Corzine said, most executives "should realize they'd be better served by a measured set of checks and balances."

Meanwhile, Enzi has made remarks that appear to play down the political significance of the scandals. "Restatements are nothing new, but now after Enron they make the news," Enzi said about the WorldCom scandal - as if \$3.9 billion restatements happened all the time.

But his expertise can help Enzi inject a note of caution into the debate. He can warn about specific consequences, such as exposing individual accountants to lawsuits and creating a "presumption of illegality" for auditors to provide consulting services that would not specifically be banned by the legislation.

"We have a good start" on the legislation, Enzi said in his WorldCom statement. "Let's finish up the details and do it right."

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